



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/282,747	03/31/1999	JAY S. WALKER	WD2-99-007	9049

22927 7590 03/01/2002

WALKER DIGITAL
FIVE HIGH RIDGE PARK
STAMFORD, CT 06905

EXAMINER

LE, KHANH H

ART UNIT PAPER NUMBER

2162

DATE MAILED: 03/01/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/282,747

Applicant(s)

WALKER ET AL.

Examiner

Khanh H. Le

Art Unit

2162

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12/12/01; 12/17/01; 1/5/02.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-81 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-81 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

Art Unit: 2162

Non- Final Action/ Response to RCE

1. This Office Action is responsive to the Amendment and Response to Final Action, the RCE, and supplemental Amendment filed 12/12/01 to 1/15/02 (papers #23-27).

The amendment of independent claims 1, 36-37, 41-44, 49, 51-74, and the addition of new independent claim 81 have been entered. Claims 1-81 are presented for prosecution.

RESPONSE TO REMARKS

2. Earlier rejections based on Scroggie are withdrawn due to the amendment of the claims.

The new limitation that

“during the same transaction, at least two steps occur:

(1) displaying, during a transaction, an indication of the offer for the subsidy, from the second vendor,

(2) selling; during the transaction, the item for a second price if the response indicates that the offer is accepted, in which the second price is less than the price of the item” is disclosed in Logan et al, (see below: one part of the transaction, with the first vendor, is experiencing desired programming for which the user has to pay and the second part, the transaction with the second vendor(s) is to experience ads for which credit is given against the cost to the desired programming. It's the same transaction because the final cost of the session (charges minus credits for experiencing ads) is not assessed until the end of the session).

Burdon also discloses indication of the offer and charging in the same transaction (see e.g. claim 43).

Claims Rejections- 35 USC 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

4. **Claims 1, 3, 8-16, 20-21, 28-31, 33-36, 51-56, 75-76 are rejected under 35 U.S.C. 102(e) as anticipated by Logan et al., US Pat. No. 5721827, (hereinafter "Logan").**

As per claim 1, Logan teaches a method, comprising the steps of: receiving information relating to customer activity of a customer with a first vendor; (col 18 l. 26-35)

Art Unit: 2162

receiving an indication of at least one item the customer desires to purchase from the first vendor, the one at least item having an associated total price; providing, in response to the received information, an indication of an offer for a subsidy from a second vendor (the second vendors being the manufacturers/advertisers) wherein the offer for the subsidy is an offer for a reduction in price relative to the total price and charging the customer a second price if the offer is accepted, the second price being less than the total price (col 26 l. 53-59)

As per claim 3, Logan teaches the method of claim 1, in which the step of receiving information relating to customer activity comprises: receiving information via at least one of a Web server, (col 5 l. 6-19; col 8 l. 42-63) and a POS terminal.

As per claim 8, Logan teaches the step of charging the customer the second price for the at least one item comprises: charging the second price to an account in one transaction

As per claim 9, Logan teaches determining whether to provide an offer for a subsidy based on the information relating to customer activity (col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising)

As per claim 10, Logan teaches the step of determining whether to provide an offer for a subsidy based on the information relating to customer activity comprises: determining if the information relating to customer activity satisfies at least one rule. (col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising; a rule being: matching the ads presented to the preferences indicated .)

As per claim 11, Logan teaches determining if the information relating to customer activity satisfies at least one rule. (col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising)

As per claim 12, Logan teaches the step of providing, in response to the received indication, an indication of an offer for a subsidy is performed if the information relating to customer activity satisfies at least one rule. ((col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising)

As per claim 13, Logan teaches determining an offer for a subsidy from the second vendor based on the information relating to customer activity. ((col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising)

As per claim 14, Logan teaches determining an offer for a subsidy from the second vendor based on a rule and the information relating to customer activity ((col 5 l. 7-19: customer information ; col 9 l. 23-col 10 l. 5; col 24: targeted advertising)

Art Unit: 2162

As per claim 15, Logan teaches determining an offer for a subsidy from the second vendor if the information indicates a willingness to transact. (col 18 l. 26-35; customer selects and plays a given program segment)

As per claim 16, Logan teaches receiving a response to the offer.
Col 9 l. 27- col 10 l. 5: offer to play ads in exchange for credits against incurred charges ; col 18 l.36-46: monitoring of ads listening; col 8 56-63)

As per claim 20, Logan teaches charging is performed only if the response indicates acceptance of the offer. (Col 9 l. 27- col 10 l. 5; col 25 and 26 esp. col 26 l. 53 et seq.: credit given for ads actually presented to customer i.e. there is acceptance of offer to experience ads)

As per claim 21, Logan teaches the offer for the subsidy defines an obligation for the customer to fulfill in exchange for the subsidy and further comprising: receiving an indication that the customer has fulfilled the obligation.
(Col 9 l. 27- col 10 l. 5; col 25 and 26 esp. col 26 l. 53 et seq.: credit given for ads actually presented to customer i.e. there is obligation to experience ads and system can monitor whether customer has fulfilled obligation).

As per claims 28 and 29 , Logan teaches facilitating a transaction between the customer and the second vendor.; and soliciting and obtaining agreement by the customer to participate in a transaction with the second vendor (This is obvious : the second vendor is the advertiser/ manufacturer. The transaction is experiencing the ads).

As per claim 30, Logan teaches determining whether the customer- participated in a transaction with the second vendor. (Col 9 l. 27- col 10 l. 5; col 25 and 26 esp. col 26 l. 53 et seq.: credit given for ads actually presented to customer i.e. there is obligation to experience ads and system can monitor whether customer has fulfilled obligation).

As per claim 31, dependent on claim 29, Logan discloses assessing a penalty if the customer did not participate in the transaction. (a penalty can take many forms, one of which is the denial of a benefit : Logan discloses increasing rewards for increasing the level of transactions or the number of transactions(ad experiences): col 9 l. 20 to col 10 l. 5)

As per claim 33, Logan teaches the information relating to customer activity comprises an indication of a search that is performed for a predetermined product; (Fig. 5 and associated text: the program segments (including ads segments) are dynamically selected and played in response to the user's preferences and control decisions; the user obviously has to search(look for)before selecting the categories of interest; col 8 l. 19-30 : user can also search for a particular programming and ads later are determined in response thereto) .

Art Unit: 2162

As per claim 34, Logan teaches the information relating to customer activity comprises an indication of at least one of:
a predetermined number of items that a customer is ready to purchase from the first vendor (abstract, Figs.4 and 5 and associated text, col 8 l. 19-30 : customer selects programming/ indicates preferences, which is an indication he/she is ready to purchase those selected items/categories) .

As per claim 35 , Logan implicitly teaches the offer defines the second vendor (obviously the second vendor is identified in the ad presented) ; and an obligation for the customer to fulfill in exchange for the subsidy (experience the ad for credit) .

As per claim 36, this claims is a combination of claim 1 and 9 and is rejected on the same bases.

As per Claim 51 , it parallels the limitations found in claim 1 in apparatus format and is rejected for similar reasons

As per Claim 52 , it parallels the limitations found in claim 1 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim 1. All those elements are inherent in the Logan system. Therefore claim 52 is rejected for the same reasons as claim 1.

As per claim 53 . it parallels the limitations found in claim 1 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Logan system. Therefore claim 53 is rejected for the same reasons as claim 1.

As per Claim 54 , it parallels the limitations found in claims 9 and 16 in apparatus format and is rejected for similar reasons

As per Claim 55, it parallels the limitations found in claim 54 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Logan system. Therefore claim 55 is rejected for the same reasons as claims 9 and 16.

As per claim 56, it parallels the limitations found in claim 9 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Logan system. Therefore claim 56 is rejected for the same reasons as claim 9 and 16.

Art Unit: 2162

Claim Rejections - 35 USC 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. **Claims 4, 17-19, 32, 41-42, 60-65, 77-78, 81 are rejected under 35 USC 103(a) as being unpatentable over Logan.**

As per claim 4, Logan does not explicitly teach the indication of an offer for a subsidy is provided via at least one of e-mail, postal mail, and telephone. However Logan discloses the use of email to communicate with the user thus one skilled in the arts, at invention time, would have known to use the email system, as disclosed in Logan, to notify the user of new or relevant offers.

As per claims 17-19, Logan does not explicitly disclose the additional limitations. However Logan discloses: timed segments (including ads) being played at a predetermined time, and session costs being accumulated (minus the credits for ads experiencing) at the end of the session. Thus one skilled in the arts at the time of invention would have known, from those disclosures to deduce the claimed invention.

Logan discloses

“The player may be programmed to issue timed messages to the listener. For example, a program session may interrupted to remind the listener to perform some function at a particular time, such as listening to a scheduled radio broadcast. Alternatively, the player may be programmed to play identified segments at a particular time of day, or at a particular time relative to beginning of the session (for example, fifteen minutes after the session begins regardless of what has been played before or where the player is in the sequence). These programmed interruptions are preferably performed as automatic hyperlink, enabling the user to return to the regularly scheduled but interrupted programming simply by issuing a "return" command.”

“The host server may advantageously use an optimization technique such as linear programming to complete the segment selection process. The optimizer will take into account the Subscriber's time constraints, cost constraints, and subject

Art Unit: 2162

preferences. The time constraints used in the optimization are: the playing time available for the current day at the player, the download time available, the percentage of segments usually skipped by the Subscriber. The cost constraints are Subscriber ChargeLevel and the accumulated value of individual advertising segments. The subject preferences are based on the user's expressly stated interests and others interests inferred from the user's playing selections, as noted earlier. Each segment resident in the database at the time of download is evaluated against the constraints and the optimizer thus chooses a set of segments which is best for the subscriber at that time."

Thus:

As per claim 17, Logan teaches determining whether the response was received within a predetermined period of time. (the ads presented at a predetermined session time has to be experienced before end of the session i.e. within a predetermined period of time, for the credit to be earned)

As per claim 18, Logan teaches charging is performed only if the response indicates acceptance of the offer and if the response was received within the predetermined period of time. (the ads presented at a predetermined session time has to be experienced before end of the session i.e. within a predetermined period of time, for the credit to be earned) .

As per claim 19, Logan teaches the predetermined period of time is a predetermined amount of time after the indication of an offer was provided. (the ads presented at a predetermined session time has to be experienced before end of the session i.e. within a predetermined period of time, for the credit to be earned).

As per 32, Logan does not teach the information relating to customer activity comprises an indication of at least a mouse click on an indication of an item.

However, The Examiner notes that Logan discloses presenting a group of advertisements in a list format and letting the user select one or more of them to view in full (col 9, lines 51-57).

Although Logan does not explicitly disclose that the selection is made by the user clicking on a button, this is one of the well known methods of entering selections online (see col 15, lines 38-42 in Woolston, 5,845,265, submitted by Applicant as item EE on the Information Disclosure Statement of related application 09/219,267, as support for this feature being well known). The user could make such a selection by clicking on an icon with a computer mouse, entering the number of the desired selection on a keyboard, speaking the selection or number using voice-activated technology, etc. Logan's disclosure of the system including such input devices as a keyboard, mouse, trackball, touchpad, microphone, etc. (col 3, lines 57-64) and the disclosure of the user selecting the desired advertisement infers that the selection is being entered into the system through one of these input devices, of which clicking on an icon with the computer mouse is the most common.

Art Unit: 2162

As per claim 41, Logan teaches method, comprising the steps of
.receiving information relating to customer activity on a Web site of a first vendor (col 5 l. 6-19; col 8 l. 42-63)
determining whether to provide an offer for a subsidy based on the information relating to customer activity;
determining an offer for a subsidy from a second vendor;
displaying, via a Web page on the Web site, an indication of the offer for the subsidy from the second vendor (col 9, lines 51-57 Logan discloses presenting a group of advertisements in a list format and letting the user select one or more of them to view in full);
receiving customer input via the Web site, the customer input representing a response to the offer
The user could make such a selection by clicking on an icon with a computer mouse, entering the number of the desired selection on a keyboard, speaking the selection or number using voice-activated technology, etc. Logan's disclosure of the system including such input devices as a keyboard, mouse, trackball, touchpad, microphone, etc. (col 3, lines 57-64);
receiving a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (see claim 1) ;
receiving a credit card identifier that identifies a credit card account. (col 8, lines 64-67).
and charging a second price to the credit card account if the response indicates that the offer is accepted, the second price being less than the total price. (see above).

As per Claim 60 , it parallels the limitations found in claim 41 in apparatus format and is rejected for similar reasons

As per Claim 61, it parallels the limitations found in claim 41 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and
the processor operative with the program to perform all the method steps
of claim . All those elements are inherent in the Logan system. Therefore claim 61 is rejected for the same reasons as claim 41.

As per claim 62, it parallels the limitations found in claim 41 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Logan system. Therefore claim 62 is rejected for the same reasons as claim 41.

Claims 77-78, dependent on claims 41 refer to charging then crediting a charge card account. Logan discloses such.

As per claim 42,
a method, comprising the steps of.
receiving information relating to customer activity with at a POS terminal of a first vendor

Art Unit: 2162

determining whether to provide an offer for a subsidy based on the information relating to customer activity
determining an offer for a subsidy from a second vendor
outputting at the POS terminal an indication of the offer for the subsidy from the second vendor;
receiving via the POS terminal customer input that represents a response to the offer

According to <http://www.computeruser.com/resources/dictionary/definition.html?lookup=5269> a point of sale system is (POS). The time and place in which a transaction is made.

The Examiner interprets the system of Logan as such a Point of sale computer system.

Thus, claim 42, a combination of claims 1, 9, is rejected on the same basis as to those limitations

Further, Logan discloses receiving a credit card identifier that identifies a credit card account; and charging a second price to the credit card account if the response indicates that the offer is accepted, the second price being less than the total price. (see claim 41 above) .

As per Claim 63 , it parallels the limitations found in claim 42 in apparatus format and is rejected for similar reasons

As per Claim 64, it parallels the limitations found in claim 42 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Logan system. Therefore claim 64 is rejected for the same reasons as claim 42.

As per claim 65 it parallels the limitations found in claim 42 in apparatus format, except for the recitation , of a computer readable medium encoded with processing instructions. That element is inherent in the Logan system. Therefore claim 65 is rejected for the same reasons as claim 42 for similar reasons

Claim 81. (NEW).

A method, comprising the steps of: receiving an indication. that an item. has been placed in a shopping cart of a Web site of first vendor,
in which the item has an associated price; determining whether to provide an offer for a subsidy based on the received indication;
determining an offer for a subsidy from a second vendor,
in which the offer includes a requirement to participate in a transaction with the second vendor;
displaying during a transaction, an indication of the offer for the subsidy from the second vendor,

Art Unit: 2162

in which the offer is displayed via a Web page;
receiving input representing, a click of a button on the Web page;
determining, from the input, a response to the offer for the subsidy ;
and selling, during the transaction, the item for a second price if the response indicates that the offer is accepted, in which the second price is less than the price of the item.

This claim is a combination of claims 1, 9, 32, 41 and an additional limitation "receiving an indication. that an item. has been placed in a shopping cart of a Web site of first vendor". The limitations common to those of claims 1, 9, 32, 41 are rejected on the same bases.

Logan does not disclose that an item. has been placed in a shopping cart of a Web site however it discloses selection of number of programs which is the equivalent of selecting and putting the selected items in a shopping cart. Official Notice is taken that placing items in a shopping cart of a Web site of a vendor, is well-known at the time of the invention. Thus one skilled in the arts would have known to add to Logan's teaching of item selection, offers for discounted prices, the feature of placing items in a shopping cart of a Web site of the first vendor to enhance the enjoyment/ experience of the user.

7. Claim 2 is rejected under 35 U.S.C. 103(a) as obvious over Logan in view of the article "Can mixing "cookies" with online marketing be a recipe for heartburn" by Ed Foster, Infoworld v18n30, pp54, Jul. 22, 1996, hereinafter, the "Cookie Article".

Logan does not teach receiving information relating to customer activity comprises reading information from a cookie, but the Cookie article teaches just that (abstract lines 1-6). It would have been obvious to one skilled in the art at the time the invention was made, as the cookie technology of gathering data about users' activities on the Internet becomes known, to complement Logan's teaching with the powerful cookie feature to enhance the targeting of advertising with the obvious benefit of increased potential sales.

8. Claims 5-7, 37-38, 49-50, 57-59, and 72-74, 80 are rejected under 35 USC 103(a) as being unpatentable over Logan in view of Kanter, US 5537314, hereinafter, Kanter.

As per claim 5, Logan does not specifically teach that the step of charging the price for the at least one item comprises: charging the customer the total price; and crediting an amount of funds to an account, the amount of funds being based on a difference between the total price and the second price.

However, at col 26 l. 53 et seq., Logan discloses calculating the total price then deducting the total credit to arrive at the final cost of the session.

Further Kanter teaches crediting an amount of funds to a credit card account for incentive amounts.(col 7 l. 26-40, citing Burton et al, US 5025372; col 28 l. 14-45) It would have been obvious to one skilled in the art at the time the invention was made to add to Logan teachings, Kanter's specific teaching of crediting the incentive to an account to accommodate other

Art Unit: 2162

discounting systems used by second vendors and thus increase the flexibility of the system.

As per claim 6, Logan discloses the step of crediting is performed after the step of charging the total price. (at col 26 l. 53 et seq., Logan discloses calculating the total price then deducting the total credit to arrive at the final cost of the session.)

As per claim 7, Logan teaches the step of crediting comprises crediting the amount of funds to a credit card account. (col 26 l. 53 et seq., col 8, lines 64-67).

As per claim 37,

This claim is a combination of claim 1, 9 with the addition of the use of a credit card and receiving customer contact information / providing using contact information

Logan discloses claims 1 and 9 as discussed above and further discloses:

receiving customer contact information (the customer information includes the location/Internet address of the customer ,col 5, lines 7-67 and col 8, lines 64-66).;

providing the offer using contact information,(col 5, lines 7-67 and col 8, lines 64-66 i.e. using the location/Internet address of the customer);

use of a credit card (col 8, lines 64-67).

As per claim 38, Logan teaches determining if contact information of the customer is stored; and requesting contact information of the customer if contact information of the customer is not stored (col 8, lines 64-66: new customer procedures)

As per claim 49, this claim is a combination of claim 1, 9 and “providing the at least one item to the customer for free”. Claims 1 and 9 are disclosed as above. The same rejections apply here.

Logan does not specifically teach providing the at least one item to the customer for free even though it discloses possibly increasing credits till the charge is minimal. However, Kanter teaches 100% off sales(col 17 line 13) . It would have been obvious to one skilled in the art at the time the invention was made to add Kanter’s teaching to Logan’s to effect the purpose of the particular incentives campaign.

As per claim 50, Logan teaches providing a credit to the customer if the response indicates acceptance of the offer.(see above) .

As per Claim 57 , it parallels the limitations found in claim 37 in apparatus format and is rejected for similar reasons

As per Claim 58, it parallels the limitations found in claim 37 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the

Art Unit: 2162

data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Logan system. Therefore claim 58 is rejected for the same reasons as claim 37.

As per claim 59, it parallels the limitations found in claim 37 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Logan system. Therefore claim 59 is rejected for the same reasons as claim 37.

As per Claim 72 , it parallels the limitations found in claim 49 in apparatus format and is rejected for similar reasons

As per Claim 73, it parallels the limitations found in claim 49 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Logan and Kanter systems. Therefore claim 73 is rejected for the same reasons as claim 49.

As per claim 74, it parallels the limitations found in claim 49 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Logan and Kanter systems. Therefore claim 74 is rejected for the same reasons as claim 49.

New Claim 80 dependent on claim 49 refers to charging a total price then discounting the whole total price so the net price is free. Official Notice is taken that the method of charging a total price then discounting the whole total price so the net price is free is old and well-known and obvious to incorporate if the merchants desire to give a free item.(see e.g. Kanter) .

9.Claims 39-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan as applied to claim 37 above, and further in view of Walker et al. , US 6049,778, hereinafter Walker.

As per claim 39, Logan does not teach that the step of receiving an indication of at least one item that a customer has purchased comprises: receiving an indication of items that a plurality of customers have purchased. However, Walker teaches just that (Fig 10A item 228; col 11 l. 59-64: early adopters get rewards) It would have been obvious to one skilled in the art at the time the invention was made to combine the Logan's and Walker's teachings in order to achieve the advantage of stimulating cross-sales at an early stages of product/services development. Thus, for example, a cellular communications service provider will want to provide incentives to early buyers of cellular phones to quickly increase sale of its services.

As per claim 40, Logan does not teach that the step of receiving an indication of items

Art Unit: 2162

that a plurality of customers have purchased is performed at predetermined times. However, Walker teaches just that (Fig 10A item 228; col 11 l. 35-45) It would have been obvious to one skilled in the art at the time the invention was made to combine the Logan's and 's teachings in order to achieve the particular purpose of the rewards campaign, for example, to be able to quickly notify the customer that an award is given after his registration to the system identifies him as the 100th buyer and thereby secure his enthusiasm and loyalty.

10. Claims 22-27 are rejected under 35 U.S.C. 103(a) as unpatentable over Logan as applied to claim 21 in view of the article "Credit Card firms drive down costs" by Stephen Ellis, Times Newspapers Limited, Sunday times, Feb. 27, 1994, hereinafter "the Ellis article",

As per Claim 22, Logan does not teach the step of receiving an indication that the customer has fulfilled the obligation comprises receiving an indication that the customer has switched service providers. However, the Ellis article discloses a system where advertisers offer incentives to users to switch to their services (switching credit card service providers lower interest rates on transferred balances). It would have been obvious to one skilled in the art at the time the invention was made to complement Logan's teachings with the Ellis article teaching for the advantage of acquiring new customers from the pool of competitors' current customers since those are the most likely potential customers having shown an immediate need for that type of services.

As per claim 23, neither Logan or the Ellis article explicitly teach the step of receiving an indication that the customer has switched service providers comprises: determining a new customer of the second vendor; and determining if the new customer had been offered a subsidy. However Logan discloses subsidizing vendors can monitor fulfillment by customers. It is old and well-known that businesses desire to measure and quantify the success of launched projects, including incentives campaigns. Thus, it would have been obvious to one skilled in the marketing arts at the time the invention was made to add to the Logan's and the Ellis article's teachings the feature of tracing the new customer to the received incentive to better monitor and analyze the cause and effect of incentive campaigns.

As per claim 24, Logan does not teach switching providers of a service that is provided to the customer. However the Ellis article teaches just that incentives given for switching services. It would have been obvious to one skilled in the art at the time the invention was made to complement Logan's teaching with Ellis's teaching to extend the advantage of cross-selling to service providers and to acquire customers from a ready pool of most likely candidates, competitor's current customers.

As per claim 25, Logan does not teach switching providers of a service that is provided

Art Unit: 2162

to the customer the service comprises at least one of telephone service, Internet service, banking services, credit card account services, insurance service, securities trading service, utilities service, satellite, television service, and cable television service. However the Ellis article teaches just that (switching credit card account services) It would have been obvious to one skilled in the art at the time the invention was made to complement Logan's teaching with Ellis's to extend the advantage of cross-selling to many types of service providers

As per claim 26, Logan does not teach initiating a new service agreement so that a particular service is provided to the customer by the second vendor. However the Ellis and article teaches just that. It would have been obvious to one skilled in the art at the time the invention was made to complement Logan's teaching with the Ellis article's teaching to extend the advantage of cross-selling to many types of service providers and to start transaction closing.

As per claim 27, Logan does not teach the service comprises credit card account services. However the Ellis article teaches just that. It would have been obvious to one skilled in the art at the time the invention was made to complement Logan's teaching with Ellis's teaching to extend the advantage of cross-selling to many types of service providers and to start transaction closing.

11. Claims 43, 44, 47-48, 66-71, 79 are rejected under 35 U.S.C. 103(a) as unpatentable over Burdon et al (WO 96/31848), hereinafter Burdon, and further in view of Kanter.

As per claim 43, Burdon teaches:
a method, comprising the steps of:

Receiving during the transaction information relating to customer activity with an IVRU of a first vendor (p. 15 line 22 et seq., line 34-36: member enters IVR system and is prompted to listen to branded messages or answer surveys for additional awards; p. 36 l. 13-15: "partner X" is second vendor;) ;

determining whether to provide an offer for a subsidy based on the information relating to customer activity;(p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully)

determining an offer for a subsidy from a second vendor (p. 36 l. 13-15: "partner X is second vendor; p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully);

transmitting via the IVRU an indication of the offer for the subsidy from the second vendor (p. 36, l. 13-15) ;

receiving via the IVRU a customer input that represents a response to the offer (p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially);

receiving via the IVRU a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (p. 39 l. 23-25:e.g. member chooses to buy information services for so many units of rewards; also, p. 15 line 22 et seq.: member enters

Art Unit: 2162

IVR system to "buy" telecommunications minutes which he should pay for a total number of reward units) ;

Burdon does not explicitly teach:

Receiving during the transaction via the IVRU a credit Card identifier that identifies a credit card

account; and charging a second price to the credit card account if the response indicates that the offer is accepted, the second price being less than the total price.

However Burdon teaches receiving during the transaction via the IVRU a member Card identifier that identifies a member card account (p. 29 line 14-16) , which account number is tied to the member's credit card account (fig 2, item 28) ;

and

charging a second number of reward units to the member card account if the response indicates that the offer (listening to branded messages or participating in surveys) is accepted, the second number of reward units being less than the total number of reward units needed (p. 39 line 26 et seq.).

Further, Kanter teaches conversion of reward points to dollars amounts (col 4 lines 54-55, col 7 lines 6-8) and crediting a customer's charge (credit) card for such amounts (col 4 lines 61-67). It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon's and Kanter's teachings and replace Burdon's currency of reward units by money, the usual legal tender, to facilitate the particular commercial purpose.

As per claim 44, Burdon teaches:

a method, comprising the steps of.

receiving information relating to customer activity with a first vendor (p. 15 line 22 et seq., line 34-36: member enters IVR system and is prompted to listen to branded messages or answer surveys for additional awards; p. 36 l. 13-15: "partner X" is second vendor;)

receiving an indication of at least one item the customer desires to purchase, the at least one item having an associated total price (p.39, l.23-25: e.g. member chooses to buy information services for so many units of rewards; also, p.15 line 22 et seq.: member enters IVR system to "buy" telecommunications minutes which he should pay for a total number of reward units) ;

determining whether to provide an offer for a subsidy based on the information relating to customer activity;(p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully)

determining an offer for a subsidy from a second vendor (p. 36 l. 13-15: "partner X is second vendor; p. 36 l. 15 et seq. : customer chooses to participate or not, fully or partially; p 36 l. 27 et seq. : reward offered if listen fully); the offer defining an obligation for the customer to fulfill (listen to survey questions /branded messages)in exchange for **the subsidy and the offer being for a reduction in price relative to the total price** (Burdon discloses earning of rewards units for

Art Unit: 2162

listening which would decrease the “price” in reward units of the consumption of telecom minutes, thus “a reduction in price relative to the total price” as claimed) providing an indication of the offer for the subsidy from the second vendor (p. 36, l. 13-15); determining whether the customer has fulfilled the obligation (p. 36 l. 15 et seq.: customer chooses to participate or not, fully or partially; and line 25 et seq.: system can determine whether customer listens fully);

Burdon does not explicit teach: receiving a credit Card identifier that identifies a credit card account; and charging a second price to the credit card account if the customer has not fulfilled the obligation, the second price being less than the total price.

However Burdon teaches receiving via the IVRU a member Card identifier that identifies a member card account (p. 29 line 14-16), which account number is tied to the member's credit card account (fig 2, item 28); and charging a second number of reward units to the member card account if the response indicates that the offer (listening to branded messages or participating in surveys) is accepted, the second number of reward units being less than the total number of reward units (p. 39 line 26 et seq.). Further, Kanter teaches conversion of reward points to dollars amounts (col 4 lines 54-55, col 7 lines 6-8) and crediting a customer's charge (credit) card for such amounts (col 4 lines 61-67). It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon's and Kanter's teachings and replace Burdon's currency of reward units by money, the usual legal tender, to facilitate the particular commercial purpose.

As per claim 47, Burdon does not explicit teach the step of charging a second price to the credit card account comprises charging the second price to the credit card account in one transaction. However, it is well-known that incentives can be redeemed as a subtraction from the total price (e.g. at any POS), leaving the discounted second price on the receipt to be charged to the credit card, if used. It would have been obvious to one skilled in the art at the time the invention was made to add the Kanter's and Burdon's teachings and the above discussed well-known sales methods to provide incentives redeeming convenience for the customers.

As per claim 48, Burdon does not explicit teach the step of charging a second price to the credit card account comprises: charging the total price to the credit card account; and crediting the discount amount to the credit card account. However, Kanter teaches crediting a customer's charge (credit) card with incentives amounts (col 4 lines 61-67). This implies that if the customer uses a credit card in the transaction, which is a well known payment method, then Kanter's teaching implies charging a discounted amount by charging the total price to the credit card account; and crediting the discount amount to the credit card account. It would have been obvious to one skilled in the art at the time the invention was made to combine the above feature to Burdon's teachings to promote efficient payment and incentives redemption and as noted earlier, encourage the use of credit cards for the profit of financial institutions.

As per Claim 66, it parallels the limitations found in claim 43 in apparatus format and is rejected for similar reasons

Art Unit: 2162

As per Claim 67, it parallels the limitations found in claim 43 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Logan and Burdon systems. Therefore claim 67 is rejected for the same reasons as claim 43.

As per claim 68, it parallels the limitations found in claim 43 in apparatus format, except for the recitation of a computer readable medium encoded with processing instructions. That element is inherent in the Logan and Burdon systems. Therefore claim 68 is rejected for the same reasons as claim 43.

As per Claim 69, it parallels the limitations found in claim 44 in apparatus format and is rejected for similar reasons

As per Claim 70, it parallels the limitations found in claim 44 in apparatus format, except for the recitation , of a data storage device , a processor connected to the data storage device, the data storage device storing a program for controlling the processor; and the processor operative with the program to perform all the method steps of claim . All those elements are inherent in the Burdon system. Therefore claim 70 is rejected for the same reasons as claim 44.

As per claim 71, it parallels the limitations found in claim 44 in apparatus format, except for the recitation ,of a computer readable medium encoded with processing instructions. That element is inherent in the Burdon system. Therefore claim 71 is rejected for the same reasons as claim 44.

New claim 79, dependent on claim 43, refer to charging then crediting a charge. Official Notice is taken that the method of providing a discount by charging the full amount then crediting the subsidy amount to the same credit card account so that the net resulting is the promised discounted second price is old and well-known and would have been obvious to incorporate into the system of claim 43 as disclosed above for ease of incentives accounting.

12. Claims 45 and 46 are rejected under 35 U.S.C. 103(a) as obvious over Burdon and Kanter as applied to claim 44 and further in view of the Nynex article.

As per claim 45, Burdon does not explicitly teach the step of determining whether the customer has fulfilled the obligation comprises receiving an indication that the customer has switched service providers. However the Nynex article teaches that businesses can readily determine whether the customer has fulfilled the obligation . The Ellis article discloses enticing customers of a service to switch providers by using incentives. It would have been obvious to one skilled in the art at the time the invention was made to complement Burdon's and Kanter's

Art Unit: 2162

teachings as applied to claim 44 with the Nynex and Ellis articles to allow service providers who desire to tap into their competitors' customers databases to monitor whether their incentive campaigns are successful..

As per claim 46, Burdon does not explicitly teach the step of determining whether the customer has fulfilled the obligation comprises determining whether the customer has become a new customer of the second vendor. However the Nynex article teaches that Nynex enforces monitor fulfillment by customers the terms of the incentives contract, implicitly by determining first whether they become their customers, then how long they so stay. It would have been obvious to one skilled in the art at the time the invention was made to combine Burdon teachings as pertaining to claim 44 and the Nynex article 's implicit teachings of monitoring incentives recipients fulfillment as discussed above to allow vendors to monitor whether their business goals of acquiring new customers based on incentives have been achieved and to recoup losses in case of customer breaches.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Logan et al., US 6014634, teaches system for distributing targeted incentives through personal web pages.

PCT WO 98/06050, Pierce et al., 08/01/96, teaches a payment system for targeted

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is (703) 305-0571. The examiner can normally be reached on Tues-Wed from 9:00 AM – 6:00 PM. The examiner can also be reached at the e-mail address: khanh.le2@uspto.gov

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. Facsimile transmissions to this Group (TC 2100) may be directed to :

After-final (703) 746-7238

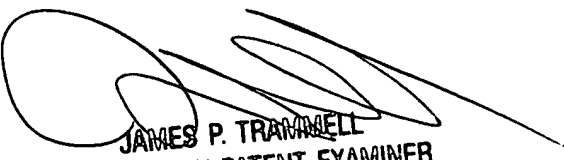
Official (703) 746-7239

Non-Official/Draft (703) 746-7240

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900 .

February 25, 2002

KHL


JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100